

LAND BOARD AGENDA ITEM
August 21, 2006
PRELIMINARY APPROVAL FOR LAND BANKING ACQUISITION

Background

The first auctions of trust land occurred in June, with closing dates in July and August. Subsequent auctions will be scheduled through October. DNRC can only sell 20,000 acres prior to acquisition of replacement property. Sale tracts total 19,510 acres split between Common Schools (19,190) and State Industrial School (320) acres. Sales are expected to generate up to \$10,700,000.

Selection Considerations

The Department has conducted a review of the tracts nominated for acquisition per Administrative Rule 36.25.813 (3). Acquisition selection forms were also completed for the recommended property.

Access: The tract is accessed via a county road and through Lone Pine state park. If the tract is purchased, publicly accessible state lands in Flathead County will be increased by 40 acres.

Revenue: The overall annual rate of return from the tracts sold is 0.8%. The predicted annual rate of return, over a 20 year period, from the tract under consideration for acquisition yields a rate of return of 2.39%.

Multiple Use: The tract has historically been used for a variety of recreational uses including hiking, horseback riding and hunting. It is also suitable for timber production.

Location: The recommended tract is adjacent to Lone Pine state park, and private land. It is in the vicinity of a significant conservation easement and is located in a county where tracts have been and are proposed to be sold.

Cooperation: DNRC has worked cooperatively with the Department of Fish Wildlife and Parks, other interest groups, area landowners and counties to identify tracts for possible acquisition. This tract was nominated for purchase by the Department of Fish Wildlife and Parks.

Public Involvement:

In April, 2006, DNRC solicited nominations from a variety of cooperators, landowners, and local/ regional real estate agents encouraging interested parties to nominate parcels for acquisition via the Land Banking program between April and June, 2006. The Department received 15 nominations for purchase.

Upon preliminary approval, DNRC will secure a purchase agreement contingent upon findings of the due diligence as per Land Banking rule ARM 36.25.813 through 815, Due diligence includes a detailed inventory report of the property, appraisal, Phase 1 hazardous materials study, an in-depth financial analysis, and a survey, if needed, followed by final Land Board approval. DNRC will also initiate field trips for interested parties (the Board/staffers, Negotiated Rulemaking Committee members, other agencies, county commissioners, beneficiaries, other individuals) to view and comment on the recommended properties.

Agency Recommendation:

The Department recommends preliminary approval of the Lone Pine tract for further consideration for acquisition.

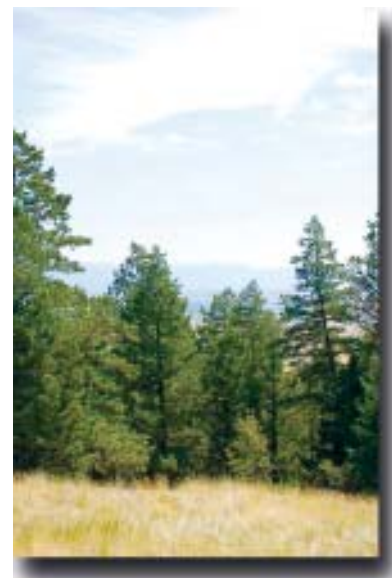
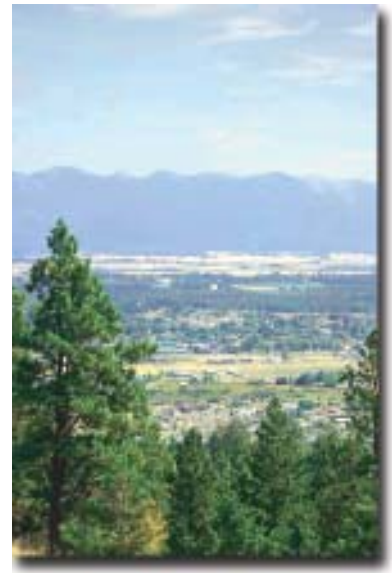
Lone Pine, Flathead County

Location: Sec 24 T28N R22W. Located adjacent to Lone Pine state park just outside of Kalispell. +/-40 acres in size.

Timber: The parcel has an estimated (not cruised) 8 mbf/acre of standing mature sawlog and peeler sized timber. The timber is mostly Douglas-fir and is in varying stages of vigor ranging from very poor to good. There is a significant ponderosa pine component along with a trace of western larch. A harvest treatment is overdue for this stand and the DNRC could remove approximately 180 mbf in a sanitation/selection harvest within a few years of acquisition.

Access: The Van Riper parcel borders Lone Pine State Park on its southeast corner and lies directly beneath the park's scenic overlook. This parcel is also visible from the city of Kalispell as a segment of the city's western skyline. The public has utilized this property for dispersed recreation. It is joined to the state park trail system through two pioneered social trails. This parcel has tremendous recreational value for a variety of trail user-groups. Benched topography and ponderosa pine and Douglas fir stands make for ideal trail construction potential. The property also provides scenic vistas of the Flathead Valley along the eastern boundary. The Van Riper parcel can be accessed either through Lone Pine State Park or through an access easement on the eastern boundary.

From a long-range planning perspective, the Van Riper parcel has the potential to provide trail access to a larger trail project known as the Foys-to-Blacktail Trail Project. If the Foys-to-Blacktail conceptual plan were successful, trail users would be able to access several miles of trail via Lone Pine State Park and the Van Riper parcel.



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